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## Indonesia

## Exporter Guide

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**Report Highlights:** Indonesia is an archipelago nation of over 205 million people, making it the world's fourth most populous nation and - following the election process that culminated in October, 1999 - the third largest democracy. Following the economic crisis that began in mid-1997, the Indonesian economy and, in turn U.S. agricultural exports, have begun a modest recovery. Total U.S. agricultural exports to Indonesia should increase by nearly 15 percent in 1999 to \$550 million. This includes a dramatic turn around in the exports of U.S. consumer-oriented food products, which are expected to reach \$60 million - or more than a 100 percent year-on-year increase. Best market prospects include fresh fruit, canned goods, frozen french fries, beef, poultry, dairy products, soybean products, processed potato products, sauces & seasonings, baking ingredients, fruit concentrates, and wines.

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Includes Trade Matrix: No  
Annual Report  
Jakarta ATO [ID2], ID

## EXPORTER GUIDE: INDONESIA

### **SECTION I. MARKET OVERVIEW**

#### **Economic Trends and Outlook**

Indonesia is an archipelago nation of over 205 million people, making it the world's fourth most populous nation. From 1970 to 1996, Indonesia's annual Gross Domestic Product averaged 7 percent, resulting in a tenfold increase in per capita GDP. In 1996, total U.S. exports to Indonesia increased to over \$3.4 billion, including nearly \$1.0 billion in agricultural and forestry products. The total for agricultural products represented more than a 100 percent increase over the 1994 total of \$420 million. This rapid expansion in overall trade with the United States led the U.S. Department of Commerce to designate Indonesia as a 'Big Emerging Market' and the Foreign Agricultural Service to open an Agricultural Trade Office in Jakarta.

Beginning in late 1997, however, Indonesia experienced a dramatic collapse in its economy, culminating in an GDP contraction of over 13 percent in 1998. This sharp economic contraction - exacerbated by a severe El Nino drought in 1997/98 and ongoing political uncertainties - resulted in Indonesia moving from 'Big Emerging Market' status to one of the world's largest recipients of food and humanitarian assistance. Since the onset of the economic crisis, U.S. agricultural and forestry exports dropped to \$811 million in 1997 and \$489 million in 1998.

In 1999, the Indonesian economy and, in turn U.S. agricultural exports, have begun a modest recovery. Close coordination with the international financial institutions have led to dramatic improvement in all major macroeconomic indicators, including a sharply stronger and stable rupiah. This has helped boost total U.S. agricultural exports to reach a projected \$550 million in 1999. This includes a dramatic turn around in the exports of U.S. consumer-oriented food products, which are expected to reach \$60 million - or more than a 100 percent year-on-year increase.

For the extended outlook, the international financial institutions have generally forecast a 3-5 year recovery period for Indonesia. The recovery process has been boosted by the relatively peaceful democratic election process that culminated in the naming of a new president in October, making Indonesia the world's third largest democracy. Assuming a corresponding growth in trade throughout this period, U.S. agricultural exports should again approach \$1 billion by 2002, with exports of consumer-oriented products once again approaching \$120 million.

#### **Market Opportunities**

- Indonesia's population of over 205 million is relatively young with more than half the population is below the age of 25. Nearly 60 percent of the population lives on Java and accounts for 60-65 percent of the sales of fast moving consumer goods. Java also has the best infrastructure although urban areas in Sumatera, Bali and Sulawesi are quickly developing.

- It is currently estimated that the upper and middle income groups combine to represent 15 percent of the population, or equal to about 30 million people. This is about 40 percent of the pre-crisis level of 78 million. Most of these people live in the major urban areas, including cities on Java (Jakarta, 11 million people; Surabaya, 3 million; Bandung, 1 million; and Semarang, 1 million); Sumatera (Medan, 2 million; and Palembang, 1 million); Sulawesi (Ujung Pandang, 1.5 million; and Manado, 1 million); and the island of Bali (3 million.)
- The population is becoming increasingly more literate and westernized during the past decade due to increased overseas studies and international travel; access to international TV; expansion of modern malls (about 20 in Jakarta); dramatic growth in major international hotel and restaurant chains; a significant number of western expatriates in urban areas; and dramatic growth in tourism (6 million international tourists in 1999).
- The severe volatility in the Indonesian currency (rupiah) directly led to sharp drop in imported food products in 1998, due both to increased costs to the consumer and unacceptable exchange rate risks to the importer. A stable and sharply strengthen rupiah in 1999 has led to a sharp rebound in imported consumer-oriented food products from the United States. Full recovery is projected by the year 2002.
- The peak business periods are during the holiday seasons when consumer spending increases. The most important holiday seasons are Ramadhan (the one month long Muslim fasting period in which food consumption goes up significantly), Lebaran or Idul Fitri (Muslim celebration of the end of the fasting), Chinese New Year, and Christmas. Indonesians consume significantly greater amounts of flour, sugar, eggs, poultry, meat, cakes, cookies, pastries, fresh and dried fruits and during the fasting month and at the month end celebration, Lebaran.
- For Lebaran, special traditional foods, cakes, cookies, bottled soft drinks, chocolate and quality cigarettes are served to guests. Sales of cheese increase dramatically during Ramadhan, as cheese is used in the preparation of traditional Lebaran pastries.
- Although the Indonesian-Chinese represent only approximately 5 percent of the population, they are essentially a middle to upper-income urban group. During the Chinese New Year, gifts of food are given, especially fresh and dried fruit and nuts. In addition, consumption of poultry, meat, fruits, cakes, candies and cookies increases significantly. Even though Christmas is only celebrated by less than 10 percent of the population, stores take advantage of the season and decorate and promote festive foods such as special fruits, sweets and pastries. Other western celebrations such as Valentine's Day and U.S. Independence Day have also become trendy among up-scale restaurants in Indonesia.
- The Indonesian consumer is very price conscious and susceptible to economic swings, with purchasing fluctuations occurring more in the middle and lower level income groups. Although the Indonesian consumer is traditionally loyal to brands, there are signs that brand loyalty is diminishing while "brand image" has become more important.
- More urban women are entering the workforce and choosing to stay there after marriage and children. With less time available for shopping and cooking, their focus is increasingly on convenience.
- The number of household appliances for cooking is low. For example, in the capital city of Jakarta, an

estimated 43 percent of households have a refrigerator, 27 percent have a gas stove and 10 percent have a microwave oven.

<b>ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN INDONESIA</b>	
<b>Advantages</b>	<b>Challenges</b>
Market scale - Indonesia has a population of over 205 million people.	Weak purchasing power of the majority of the population.
Applied duties on food and agricultural products in 1999 are 5 percent or less based on the Government of Indonesia's agreement with the IMF.	Import regulations are complex, often non-transparent, and require exporters to establish close business relationships with local importers/agents.
The distribution system on the island of Java is improving, providing increased access to a population of 120 million.	Infrastructure including ports and cold storage facilities outside of the main island of Java are poorly developed.
A reputation for quality is the strongest selling point for U.S. food products.	Third-country competition remains strong, especially from Australia, New Zealand and the EU.
A stabilized currency - a direct result of improved economic and political situation by late-1999 - have made imported products more affordable to middle-income consumers.	Import financing remains a problem as Indonesia's banking system remains weakened by the impact of the financial crisis that began in mid-1997.
The availability of imported products will be expanded by the rapid growth of the modern supermarket sector and the western restaurant chains.	Important considerations are labeling regulations - including possible halal certification - and size of packaging tailored to the specific Indonesian market sector.
Investment by U.S. multi-nationals in the food processing sector requires world standard ingredients, including processed products targeted for regional export strategies.	Global purchasing organizations buy from the cheapest acceptable source.
Indonesia has a well-developed tourism industry with many hotel chains and restaurants purchasing imported products through local agents/importers.	In a cost-cutting measure, many hotels replaced much of their expatriate F&B staff with locally-hired staff. While most are well-qualified, they are unfamiliar with U.S. quality food products and tend to emphasize price over quality.
Indonesia is rich in natural resources, with multinational companies involved in the development of oil & gas, mining, and lumber. Some of the well-developed sites have commissary services with significant demand for imported products.	Sites tend to be in remote areas where transportation and lack of infrastructure presents barriers to cost-efficient distribution of imported food products.

## **SECTION II. EXPORTER BUSINESS TIPS**

- ***While quality and price are important, they are secondary to the personal interaction of the business partners. Perhaps nowhere in the world is meeting face-to-face more important than in Indonesia.***
- Visit the market to conduct market research, especially for product testing, price comparison, adjusting the product for local tastes, and finding out government regulations. Meet the importers, distributors and retailers - they can help you with your market research.

- It is a good idea to start your research in Singapore where your product can easily move into the ASEAN region. Singaporean agents, importers, distributors and retailers are sophisticated and know the regional markets well. In addition, the shipping time is less and smaller shipment sizes can be sent into new markets from Singapore.
- Appoint one or several agents on a trial basis and provide them with incentives to get your product into the market. Support your agent by maintaining product quality. Educate the agent, the importer, the distributor, the retailer and the consumer about your product. This market for consumer-ready food products is relatively new and it should never be assumed that anyone knows how to promote, handle, and prepare your product.
- Have the agent register your product. According to Indonesian regulations, all products must be registered through the Ministry of Health to obtain an ML number. However, the majority of imported products on supermarket shelves are not registered and enter the market in mixed container loads. The registration process can be lengthy, bureaucratic and costly and generally requires a local agent or importer.
- Your product should be packed and shipped for a tropical climate, and have clear storage instructions. This is especially important as few cold storage or air-conditioned facilities and delivery trucks exist and sometimes stores turn off cold storage facilities at night to conserve energy.
- When introducing new products, several factors should be kept in mind. Indonesian consumers have an aversion to low-quality products and are attracted to branded products. They also tend to be image conscious and very price sensitive. Brand loyalty is most likely to be broken by products that are of good quality, well packaged, well-distributed, well-promoted and competitively priced, rather than cheap products.
- Tariff and Import Taxes: Indonesia's bound tariff rates on major food and agricultural items generally range from 5 to 30 percent. Temporary tariffs on all food items including high valued foods were cut to a maximum of 5 percent in February 1998 under an IMF agreement. The major exception is the 170 percent duty applied to all imported alcoholic beverages.
- Other Taxes: The government levies a 10 percent value-added tax on the sale of all domestic and imported goods. A luxury tax ranging from 20 percent to 35 percent is also levied on certain products. For imports, these sales taxes are collected at the point of import and are calculated based on the landed value of the product, including import duties
- Labeling and marking requirements: Regulations of food labeling are in place and the government is currently in the process of approving new food labeling guidelines. Halal certification and labeling is not required at this time but these guidelines are also under review. Given that more than 85 percent of the population professes the Islamic faith, it is highly recommended that a *halal* certification be obtained.
- Be patient and think long term. It is not unusual to visit the market 2-3 times before details are finalized.
- Take advantage of the services offered by the Agricultural Trade Office. We can provide a briefing in our office, provide reports and contact lists for your areas of interest, arrange hotel accommodations, and inform you of upcoming events such as U.S. food product show and agent shows. The U.S. Pavilion at Food, Hotel

Tourism Bali, March 2-4, 2000, is an excellent avenue for introducing your new products and finding an agent. Further information can be obtained from Marie Waters, Overseas Exhibition Services in London, U.K., phone 44 (0) 171-8622097, fax 44 (0) 171-8622098

- The Southeast Asia Market Access Program sponsored by the Western U.S.A. Trade Association (WUSATA) and the Midwest Agricultural Trade Association (MIATCO) provides many services for a fee including store checks, competitive products shopping, distributor referrals, and in-market assistance. See Section V for contact lists of all Foreign Market Development (FMD or Cooperator) programs and Market Access Program (MAP) participants active in the food sector in Indonesia.
- *Always remember, while quality and price are important, they are secondary to the personal interaction of the business partners. Perhaps nowhere in the world is meeting face-to-face more important than Indonesia.*

### **SECTION III. MARKET SECTOR STRUCTURE AND TRENDS**

#### **A. RETAIL SECTOR:**

##### **Market Overview**

The traditional sector dominates the retail food business in Indonesia. In 1997, an A.C. Nielsen study indicates that there were 2,052,635 retail food outlets in Indonesia. Of these outlets, 579 were supermarkets, 1,535 were mini-markets, 58,791 were large provision shops, 362,001 were small provision shops, and 1,509,498 were *warung* provision shops. It is currently estimated by trade sources that 20 percent of retail food sales in Jakarta take place in supermarkets and other modern retail outlets. Nationwide, this figure is only 5 percent.

It is difficult to obtain reliable Indonesian production and import statistics. Trade sources indicate that imported products account for less than 5 percent of retail food sales in Indonesia. Shipments fell significantly in 1997 and 1998 in response to the recent economic crisis. A number of distributors, particularly national distributors, curtailed imports.

The ongoing economic crisis has had a major impact on the retail food sector in Indonesia. Surprisingly, the crisis increased sales in value terms of most Indonesian food retailers in 1998, with sales rising 10 - 45 percent. This was due largely to price increases on previously-produced stocks. However, sales for many retailers dropped 10 - 25 percent in volume terms as demand weakened. The prospects have improved considerably, however, in 1999 with a more stabilized political and economic situation. The trade remains cautiously optimistic and generally project that sales will reach pre-crisis levels by 2001/2002.

The retail segments that offers the best prospects for imported products are the urban supermarkets, hypermarkets, and warehouse outlets. According to several importers and distributors, currently 10 percent of the food items which are sold by these outlets are imported. This is compared with 50 percent prior to the crisis. In the near future, smaller quantities of imported products are expected to be sold, but a greater variety of brands and items.

Most supermarkets, hypermarkets, and warehouse outlets usually buy most of their imported products from



distributors or agents. Some are importing direct from foreign suppliers, particularly perishable products. This trend is expected to expand in the near future. In general, new products and suppliers must be approved by the purchasing unit in headquarters in Jakarta. Subsequent orders may take place from individual stores, especially those outside of Jakarta. Delivery is to a central warehousing facility or individual stores.

### **Future Trends**

In the near future, recently-developed patterns of consumer behavior are expected to continue. Consumers are adjusting to paying higher prices for imported and local food products. They will remain very selective in their product purchases and will be looking for good quality products at low prices. Promotion will be important as consumers will be more fickle and influenceable and there will be opportunities to replace traditional brands.

A return to pre-crisis shopping behavior is anticipated over the long term. Value-for-money will remain important to consumers, but they will also be looking for greater variety in retailers' assortments. Brand names will again become important to consumers and new product introductions will increase. There will be a growing concern with the nutrition aspects of food products.

Some retailers already offer a wide range of services to consumers, including the acceptance of credit cards, ATM services, flower departments, laundry counters, food courts near shopping areas, automated banking services, and home delivery. Some anticipate these services will be reduced in the next five years in the interest of lower retail prices. A low-price or money-back guarantee is the main addition they see to retailers' service offerings. Others suggest that emphasis will be placed on increasing service quality and efficiency, rather than adding new services. In contrast, retailers in the eastern Javanese city of Surabaya predict an expansion in services that are offered to consumers in this market. They predict that a more complete range of services will be available, including home delivery.

### **Entry Strategy**

The best way to penetrate the Indonesian market is to appoint an agent. In general, the volume of imported product sales is small. An agent is needed to assure the widest distribution for your products as well as to undertake the marketing efforts necessary to create awareness for your products among consumers.

In some situations, it may make sense to sell your product directly to supermarkets and/or to appoint them as the exclusive distributors. This is primarily the case when your product is a gourmet, upscale product and not likely to generate sufficient volume to interest an agent in bringing in container loads. Nevertheless, your initial sales efforts to Indonesia should include both visits with potential agents as well as with key retailers.

### **Best Market Prospects**

Best market prospects for U.S. suppliers include fresh fruit, canned goods, frozen french fries, sauces & seasonings, beans, pastas, salad dressings, and snack foods. Niche markets exist for frozen pizzas, frozen meat & poultry, delicatessen items, biscuits, confectioneries, cream cheese, breakfast cereals, tomato paste, and non-alcoholic beverages

### **Further Information**

For a more detailed assessment of the Indonesia retail food sector, please see: *Indonesia, Market Development Report, Retail Sector Report 1999*. Information on how to access this report is available under Section V.

## **B. HRI FOOD SERVICE SECTOR**

### **Market Overview**

Over 139 different restaurant franchises are present in Indonesia and account for more than 1,000 outlets. Seventy-five percent of these are U.S. franchises. In addition, Indonesia supports hundreds of four- and five-star restaurants and hotels. All of these establishments use some imported food products. An estimated 45 percent of U.S. high value food product exports to Indonesia are for the food service sector. The growth in this industry through the first half of the decade was phenomenal, with almost 100 percent growth in the number of foreign franchises from 68 in 1996 to 139 in 1997.

Inbound tourists are expected to reach an all-time high of 6.0 million in 1999 with 1.2 million to Bali. The government projects tourism will replace oil & gas as Indonesia's largest foreign exchange earner by 2002, with a projected total of \$13 billion. Hotels adjusted to the crisis by replacing most of their expatriate management staff with local Indonesian graduates from tourism schools. Restaurants and hotels complain about the lack of choice for quality products, inconsistent supply, high prices, and lack of staff knowledge, experience and training. Importers complain about variable pricing at the port in getting product through customs and lack of product knowledge in variety, handling, and distribution.

### **Future Trends**

While all Asian markets have been affected by the regional economic downturn, certain markets have rebounded faster than others. According to one international hotel survey, Bali is on the top of the list in Asia as a "hot" market, ahead of Phuket, Tokyo, Seoul and Bangkok. Of all the regions in Indonesia, Bali has been least affected with occupancy rates near 100 percent during the most recent peak season. Other areas in Indonesia have not been as quick to recover, though major hotels in Jakarta have seen a respectable increase in occupancy rates from the lows suffered in 1998.

### **Entry Strategy**

All the major importers and distributors that supply the retail food sector also supply the HRI sector. Thus access into this market is similar and the best way to penetrate the Indonesian market is to appoint an agent. The main difference is in the island of Bali - by far the most popular tourist destination - where some distribution companies have specialized in providing high quality U.S. products to the five-star hotel and restaurant industry.

### **Best Market Prospects**

Best market prospects for U.S. suppliers include canned goods, frozen french fries, sauces & seasonings, beans, pastas, salad dressings, frozen meat & poultry, delicatessen items, tree nuts, confectioneries, cream cheese, tomato paste, non-alcoholic beverages and wines.

### **Further Information**



For a more detailed assessment of the Indonesia retail food sector, please see: *Indonesia, Market Development Report, HRI Sector Report 2000* issued in January 2000. Information on how to access this report is available under Section V.

### **C. FOOD PROCESSING SECTOR**

#### **Market Overview**

Indonesia offers significant market potential for U.S. suppliers of food and agricultural ingredients into the local food processing sector. In 1997, the most recent year for which data has been published, the sector value was US\$5.94 billion. However, on a per capita basis, the market for processed food is small: \$30 per annum.. The value of imports used in food processing in the same period was \$228.7 million.

The Indonesian processed food industry encompasses most types of processed food found in a developed market. The urban middle class, who comprise 20 percent of the population of over 205 million, are the main consumers of processed food. There are at least 4,500 food processing companies in Indonesia, but less than ten major groups dominate the industry. The great majority of companies in the industry are small-scale family owned businesses. Major groups are typically vertically integrated, owning primary production, processing and distribution facilities.

#### **Entry Strategy**

The range of products represented in the industry makes recommendation of one strategy difficult. Generally applicable principles are as follows:

- C Personal contact and local representation is essential if a permanent presence in the market is envisaged.
- C Local representation requires careful and detailed research to confirm claims. Prospective representatives who claim connections to important people should be treated with extreme caution. Such connections are not necessary - commercial acumen is greater value in the market than "good connections".
- C Do not make any commitment to grant exclusive rights to a product before gaining experience of a prospective representative's capabilities.
- C Pay attention to accounting standards applied in the preparation of reports supporting the financial standing of candidate representative's or partners.

**Investment Trends:** Foreign investment in the food processing sector is increasing as a result of liberalized investment regulation and the need for new capital in the wake of the near collapse of the economy. A further consideration is the establishment of the AFTA trade zone giving favored treatment to regional production. Each of the following U.S.-based corporation operation's in Indonesia exports to the region using their world brand names: Heinz - PT. Heinz ABC Indonesia; Campbells Soups - PT. Arnott's Indonesia (via Australian subsidiary); and Nabisco - PT. Nabisco Foods.

European investment is strongest in the dairy foods industry with Nestle, Freische-Foremost and Nutricia all long standing participants. Japanese investment in the sector does not match its standing in other Indonesian manufacturing industry. Nissin has a joint venture with Indofood to manufacture biscuits, but withdrew from its bid to buy a major share of the industry through Indofood.

**Consumption Trends:** The major influence on consumption is reduced purchasing power of the middle class. During the early to mid-1990's a modern middle class consumer group developed in the cities. The crash in 1997 hit this class hard: they have developed tastes that they can no longer afford. However, re-emergence of this consumer group is predicted in the medium term.

Western society trends to health and diet foods are not present in Indonesia. The market is at the stage of embracing Western fast food without regard to nutritional values. As important issue to be considered is that 85 percent of the population profess the Islamic religion. Strict adherence to Muslim pure food certification is essential to success in the Indonesian market. This is not a matter to be treated lightly.

### **Best Market Prospects**

Best market prospects include wheat, food-use soybeans, beef, dairy products, flavorings, processed poultry products, processed potato products, fruit concentrates, and peas & lentils.

### **Further Information**

For a more detailed assessment of the Indonesia retail food sector, please see: *Indonesia, Market Development Report, Food Processing Sector Report 1999*. Information on how to access this report is available under Section V.

## **D. DISTRIBUTION SYSTEM**

Due to the widespread and diverse nature of the country, involving hundreds of islands, this system is complex. In many cases, the infrastructure is insufficient, especially outside big cities and Java island. The ability to move frozen and refrigerated products is limited. There are approximately 10 national distributors who service the whole country and numerous agents/distributors with a more local reach. There are hundreds of wholesalers and millions of retailers.

A recent World Bank study indicated that inadequate ports were the single largest and most consistent complaint in every province and with all levels of the distribution system. The most frequent criticisms cited in the report concerned shallow drafts in ports requiring small ships and inadequate loading and unloading facilities resulting in frequent congestion. Also cited by distribution firms are the unreliable shipping schedules and inadequate number of small ships serving Eastern Indonesia, particularly during bad weather periods - which results in frequent shortages and leads firms to hold higher than desired inventories, with higher costs.

Imported products that enter the Indonesian market often move to a distributor or agent, who in turn, sells them directly to modern retail outlets. Delivery of the products may be direct to stores or to the warehousing facilities of the retailer. Only a few retailers buy directly from foreign suppliers and assume responsibility for the logistics function. Major food processors tend to buy directly while smaller operations tend to buy through local agents.

The trade in fresh fruit differs from that of other consumer-ready food products. Fresh fruit imports are dominated by trading houses that specialize in fruit, whereas other food items are widely traded. For example, it is not unusual for one importer to carry such items as meat, poultry, french fries, and confectionary ingredients

and deliver them directly to the retailer. On the other hand, fresh fruit will change hands several times before reaching the consumer, usually at the wet market or curbside fruit stands.

Restaurants and retailers alike bitterly complain about the poor distribution system. Their complaints center around getting a consistent supply of quality food products. Sometimes distributors sell outdated products that they purchased inexpensively. Or a frozen product was not stored correctly and has been refrozen. All kinds of things happen to products left in the hot, humid and insect infested storage facilities. Another complaint is that the importer/distributor underestimated demand and has no supply of a particular product. In addition, they complain about the large number of distributors they must deal with since most of the distributors carry only a handful of products.

#### **SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS**

Best market prospects, as identified by the Agricultural Trade Office in Jakarta are as follows:

Rank	Product	HS Code	Two-Year (97/98) Average Value of Imports from U.S. (\$1,000)	U.S. Market Share in 1998 (%)
1	Fresh Fruit	0808	21,224	1/
2	Frozen French Fries	071010	13,410	96
3	Milk Powder	040210	6,481	5
4	Grapes	080610	3,464	79
5	Biscuit/Cookies	190530	2,888	4
6	Variety Meats	0206	1,939	2/
7	Pet Food	230910	1,740	25
8	Orange	080510	1,320	9
9	Beef & Offal	0202	1,074	3/
10	Tree Nuts	0802	1,045	4/
11	Juices	2009	443	5/
12	Poultry Products	0207	362	6/
13	Breakfast Cereals	190410	295	6
14	Chocolate	1806	274	7/
15	Beverages	220210	187	16
16	Processed Potatoes	200520	95	57
17	Wine	220421	31	8
18	Pulses	0713	5	8/

Rank	Product	HS Code	Two-Year (97/98) Average Value of Imports from U.S. (\$1,000)	U.S. Market Share in 1998 (%)
<b>Footnote:</b> 1/. Includes apples (74%), pears( 3%), apricot (3%), peaches (7 %) and plums (59%) 2/. Includes H.S. 0206.10 (36%) and 0206.22 (25%) 3/.Includes H.S. 0202.10 (6%), 0202.20 (60%), 0202.30 (5%) 4/.Includes almond (91%), hazelnut (94%), walnut (100%), chesnut( 2%), pistachios (17%) 5/.Includes oranges (7%), grapefruit (11%), pineapples (59%), tomato( 46%), grape (30%), apple (18%), 6/.Includes whole chicken (27%), whole turkey (100%), ducks (20%), pltry cuts (86%), chicken cuts (89%), turkey cuts (55%), duck cuts( 8%) 7/.Includes H.S. 1806.10 (10%), 1806.90 (9%) 8/.Includes peas (1.0%), mungbean (1.0%), kydney beans & white pea (1%)				

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Government of Indonesia Contacts for Food & Beverage Control				
Organization	Contact Person	Address	Phone	Fax
Department of Health-Directorate for Food and Beverages Control	Drs. H. Moch Ma'ruf, Director	Jl. Percetakan Negara 23, Jakarta Pusat, Indonesia	(62-21) 424-1781	(62-21) 424-3605
Department of Agriculture-Directorate General for Animal Husbandry	Drh. Sofjan Soedradjat, MS, Director	Jl. Harsono RM No. 3, C Bld, 6 <sup>th</sup> Floor, Jakarta Selatan, Indonesia	(62-21) 781-5581	(62-21) 781-5581
Department of Agriculture-Plant Quarantine Station	Drs. Hardjono M. Ag., MMA, Director	Jl. Pemuda No. 64 Kav 16&17, Jakarta Timur, Indonesia	(62-21) 489-4877 & 489-2016	(62-21) 489-2020

Indonesian Trade Association Contact List				
Organization	Contact Person	Address	Phone	Fax
APRINDO (Indonesian Retail Merchants Association)	Steve Sondakh	DPP Asosiasi Pengusaha Ritel Indonesia, Hero I Building, 5 <sup>th</sup> Floor, Jl. Jend Gatot Subroto Kav 177, Jakarta, Indonesia 12870	(62-21) 829-8748 & 829-8750	(62-21) 829-8749
ASIBSINDO (Indonesian Fruit & Vegetables Importers Association)	Yunan Chandra (Chairman)	Jl. Kramat Kwitang I B No. 17, Jakarta, Indonesia 10420	(62-21) 3190-6574	(62-21) 3190-6574
ASPIDI (Association of Indonesian Meat Importers)	Frieda Naderi Nalapraya (President)	Wisma Rajawali 15 <sup>th</sup> Floor, Jl. Jend. Sudirman No. 34, Jakarta, Indonesia 10220	(62-21) 573-3160 & 573-1488	(62-21) 570-3135
Indonesian Fish Cannery Association	Hendri Sutandinata, MBA (Chairman)	Jl. Cipinang Indah Raya No. 1, Jakarta, Indonesia 13420	(62-21) 819-6910	(62-21) 850-8587
IPS (Dairy Processor Association)	Sabana (Director) & Debora Rukmawati (Secretary)	Wisma Nestle, Arcadia Office Park, Jl. Letjend TB Simatupang Kav 88, Jakarta, Indonesia 12520	(62-21) 7883-6000	(62-21) 7883-6001

U.S. Cooperator and MAP Participants			
Organization/Contact Person	Address	Phone	Fax/email
AgriSource Co., Ltd Regional representative for USA Dry Peas, Lentils & Chickpeas  Contact Person: Tim Welsh, Managing Director	Ambassador's Court, 4 <sup>th</sup> Floor, No. 416, 76/1 Soi Lang Suan, Ploenchit Road, Bangkok, Thailand 10330	(66-2) 251-8655/6	(66-2) 251-0390  E-mail: agsource@loxinfo.co.th
Dee Richmond & Associates, Pte Ltd Regional representative for Food Marketing Institute (FMI) and State Regional Trading Groups: Western United States Agricultural Trade Association (WUSATA), Eastern United States Agricultural and Food Export Council, Corp (EUSAFEC), Mid-America International Agri-Trade Council (MIATCO)  Contact Person: Dee Richmond Regional Director	70-A Prinsep Street, Singapore 188662	(65) 338-3812, 338-3410 & 338-7449	(65) 338-3813  E-mail: drfood@pacific.net.sg
Lieu Marketing Assoc. Pte. Ltd Regional representative for: California Pistachio Commission, California Cling Peach Advisory Board, California Prune Board, California Raisin Advisory Board, Florida Department of Citrus, U.S. Potato Board, Wine Institute  Contact Person: Richard Lieu, Director	Blk 138, Alexandra Road # 01-221, Singapore 150138	(65) 472-3283	(65) 472-6372  E-mail: gabaric@singnet.com.sg
Peka Consult, Inc. Country representative for Washington Apple Commission, California Table Grape Commission, Oregon- Washington- California Pear Bureau, California Tree Fruit Agreement  Contact Persons: Kafi Kurnia, Leonard Tjahjadi, Dian Mediana	Jl. Kemang Raya No. 1, Jakarta, Indonesia 12160	(62-21) 721-1358	(62-21) 721-1357  E-mail: peka@indo.net.id



<b>U.S. Cooperator and MAP Participants</b>			
<b>Organization/Contact Person</b>	<b>Address</b>	<b>Phone</b>	<b>Fax/email</b>
PT Swaco Prima Windutama Country representative for U.S. Grain Council and American Soybean Association  Contact Person: A. Ali Basry Director	Wisma Mitra Sunter # 402 Blok C-2, Boulevard Mitra Sunter, Jl. Yos Sudarso Kav 89, Jakarta, Indonesia 14350	(62-21) 651-4752	(62-21) 651-4753  E-mail: asagrains@indosat.net.id
PacRim Assoc. Ltd Regional representative for the U.S. Dairy Export Council  Contact Person: Dan Fitzgerald Director	The Regent Hotel, 155 Rajadamri Road, Bangkok, Thailand 10330	(66-2) 251-6127	(66-2) 254-6913  E-mail: usdec@pacrim.co.th
U.S. Meat Export Federation  Contact Person: Eric Choon Asean Director	541 Orchard Road, Suite 1503, Liat Towers, Singapore 238881	(65) 733-4255	(65) 732-1977  E-mail: echoon@usmef.com.sg
USA Poultry & Egg Export Council  Contact Person: Margaret Say Regional Director	# 15-04 Liat Towers, 541 Orchard Road, Singapore 238881	(65) 737-1726	(65) 737-1727  E-mail: usapeec_sing@pacific.net.sg
U.S. Wheat Associates  Contact Person: Mark Samson Vice President for South Asia	# 15-02 Liat Towers, 541 Orchard Road, Singapore 238881	(65) 737-4311	(65) 733-9359  E-mail: msamson@uswheat.org
American Soybean Association  Contact Person: John Lindblom Regional Director	541 Orchard Rd. #11-03, Liat Towers, Singapore 238881	(65) 737-6233	(65) 737-5849  E-mail: asaspore@pacific.net.sg
U.S. Grains Council  Contact Person: Cary Sifferath Regional Director	Wisma SOCFIN, Peti Surat #06 Tingkat Tiga, Jl Semantan 50490 Kuala Lumpur	(60-3) 255-9826	(60-3) 256-2053  E-mail: csifferath@ibm.net

**POST CONTACT AND FURTHER INFORMATION**

The U.S. Agricultural Trade Office in Jakarta maintains up-to-date information covering food and agricultural import opportunities in Indonesia and would be pleased to assist in facilitating U.S. exports and entry to the Indonesia market. Questions or comments regarding this report should be directed to the U.S. ATO in Jakarta at the following local or U.S. mailing address:

U.S. Commercial Center  
Wisma Metropolitan II, 3rd Floor  
Jalan Jenderal Sudirman Kav.29-31  
Jakarta 12920 - Indonesia  
Tel: +62215262850  
Fax: +62215711251  
e-mail: [atojkt@cbn.net.id](mailto:atojkt@cbn.net.id)  
ATO Jakarta  
Home Page: <http://www.usembassyjakarta.org/fas>

U.S. Agricultural Trade Office  
U.S. Embassy-Jakarta  
Box 1, Unit 8129  
FPO AP 96520

Please contact our home page for more information on exporting U.S. food products to Indonesia, including "Food Processing Sector Report: Indonesia", "The Retail Sector Report: Indonesia", "Imports of U.S. Fresh Fruit: Indonesia" and "Hotel and Restaurant Industry: Bali". As of December 1999, the following reports are available: "The HRI Food Service Sector Report: Indonesia"; "Market Brief - Indonesian Bakery Industry"; Market Brief - Indonesian Beverage Industry"; and "Market Brief - Indonesian Meat Processing Industry".

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service's Home Page: <http://www.fas.usda.gov>

## EXPORTER GUIDE

### APPENDIX I. STATISTICS

#### A. KEY TRADE AND DEMOGRAPHICS INFORMATION

Key Trade Information: Indonesia						
Item	Import from the World (million)			U.S. Market Share (%)		
	1998	1997	1996	1998	1997	1996
Agricultural	3,766	4,545	5,661	12	17	18
Consumer Food	388	690	694	10	18	14
Edible Fishery	17	23	19	3	5	6

Demographic Information: Indonesia			
Total Population (million) in 1998	204.5	Annual Growth Rate	1.58%
Urban Population (million) in 1998	79.1	Annual Growth Rate in 1997	2.91%
Number of Major Metropolitan Areas	8		
Size of the Middle Class (million) in 1997*	78 (40%)	Growth Rate in 1997	na
Per Capita Gross Domestic Product (US \$) in 1998	508		
Unemployment Rate (%) in 1998 **	5%		
Per Capita Food Expenditure per year (Rp) in 1998 ***	583,294		
Percent of Female Population Employed in 1997	48		
Exchange Rate (US \$=X.X local currency)	see below		

**Footnotes:**

\*Per capita expenditure is between US \$ 115-165 per month, have electricity and running water, own an electric iron, color television, and cassette radio. Less than half own a camera or refrigerator. Half of them own a motorcycle, while one of five own a car. Less than half of these consumers graduated from high school, and only one household in three has a telephone)

\*\* Indonesia does not reliable unemployment data, in part because of the large informal workforce.

\*\*\* Difficult to convert to US \$ due to high exchange rate fluctuation

Exchange Rate (Rp/US\$) on Month Ending Basis												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	2387	2403	2418	2443	2458	2450	2528	2190	3350	3700	3740	5700
1998	10250	8800	8660	7970	11250	14750	13000	11200	10750	7550	7300	8068
1999	8950	8730	8685	8260	8046	7590	7857	8386	8000	6745	7250	

**B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORT**

Indonesia Imports	Imports from the World			Imports from the U.S.			U.S. Mkt Share		
	1996	1997	1998	1996	1997	1998	1996	1997	1998
	(\$million)			(\$million)			(percent)		
<b>CONSUMER-ORIENTED AGRICULTURAL TOTAL</b>	694	690	388	95	127	40	14	18	10
Snack Foods (Excl. Nuts)	24	22	9	2	1	1	10	4	3
Breakfast Cereals & Pancake Mix	4	3	3	1	1	1	5	11	6
Red Meats, Fresh/Chilled/Frozen	47	46	16	7	4	2	14	9	12
Red Meats, Prepared/Preserved	4	3	1	1	1	1	5	8	12
Poultry Meat	3	1	1	1	1	1	17	29	45
Dairy Products (Excl. Cheese)	187	148	111	8	13	5	4	9	5
Cheese	12	11	11	1	1	1	1	2	1
Eggs & Products	2	2	1	1	1	1	16	25	9
Fresh Fruit	100	101	36	29	40	12	29	40	33
Fresh Vegetables	82	93	63	1	1	1	1	1	0
Processed Fruit & Vegetables	34	53	19	15	29	8	44	55	44
Fruit & Vegetable Juices	5	4	2	1	1	1	15	16	10
Tree Nuts	5	3	1	2	1	1	36	51	59
Wine & Beer	3	1	1	1	1	1	7	3	7
Nursery Products & Cut Flowers	2	2	1	1	1	1	5	5	2
Pet Foods (Dog & Cat Food)	3	4	3	1	3	1	46	73	25
Other Consumer-Oriented Products	174	191	109	27	32	10	16	17	9
<b>FISH &amp; SEAFOOD PRODUCTS</b>	19	23	17	1	1	1	6	5	3
Salmon	1	1	1	1	1	1	6	13	2
Surimi	1	1	1	1	1	0	4	8	0
Crustaceans	6	9	6	1	1	1	4	5	4
Groundfish & Flatfish	3	5	2	1	1	1	1	0	2
Molluscs	4	2	3	1	1	1	3	9	1
Other Fishery Products	7	6	5	1	1	1	13	6	2
<b>AGRICULTURAL PRODUCTS TOTAL</b>	5,661	4,545	3,766	1,011	757	466	18	17	12
<b>AGRICULTURAL, FISH &amp; FORESTRY TOTAL</b>	5,780	4,683	3,872	1,054	807	513	18	17	13

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

### ***C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS***

<b>Indonesia - Top 15 Suppliers</b>							
<b>CONSUMER-ORIENTED AGRICULTURAL TOTAL - 400</b>				<b>FISH &amp; SEAFOOD PRODUCTS - 700</b>			
(\$1,000)	1996	1997	1998	(\$1,000)	1996	1997	1998
New Zealand	90,996	68,486	60,444	Free Zones	0	1,976	3,440
Australia	118,872	123,526	56,646	Taiwan (Estimated)	4,129	2,054	3,310
China (Peoples R	87,743	81,763	56,569	India	445	2,200	2,567
United States	95,076	127,331	40,263	Singapore	1,352	1,723	1,179
Thailand	57,716	70,985	28,613	Japan	1,933	2,454	1,062
Netherlands	32,766	26,727	27,183	Malaysia	340	548	898
Hong Kong	2,896	3,471	10,943	Australia	634	940	800
Malaysia	17,339	17,477	10,314	United States	1,230	1,138	477
Germany	16,616	11,908	9,381	Spain	0	100	436
France	18,670	16,509	8,762	Ecuador	0	41	416
Japan	8,820	9,143	7,813	Vietnam	187	1,254	372
Philippines	10,072	13,886	7,749	China (Peoples R	1,808	912	363
Singapore	13,566	11,923	6,963	Norway	94	141	359
Belgium	7,456	7,159	6,501	Netherlands	1,198	785	272
Ireland	11,442	11,251	5,261	Hong Kong	33	14	252
Other	103,689	88,116	44,905	Other	6,026	6,693	1,001
World	693,774	689,737	388,353	World	19,413	22,976	17,217
Source : United Nations Statistics Division							

**EXPORTER GUIDE**  
**APPENDIX II: CALENDAR OF ENDORSED TRADE SHOWS IN INDONESIA**

NAME OF EVENT	FHT BALI 2000
Event Location	Nusa Indah Exhibition and Convention Centre
Industry theme	Food, Hotel and Tourism Bali 2000
Dates of Event	March 2-4, 2000
Type of Event	International Exhibition and Conference
Name of Organizer	P.T. Pamerindo Buana Abadi
Phone of Organizer	(62-21) 316-2001
Fax of Organizer	(62-21) 316-1983/4
E-mail of Organizer	pamindo@rad.net.id
Hotel Website	<a href="http://www.sheraton.com">http://www.sheraton.com</a>

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